

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1931 - HB 2234

February 3, 2014

SUMMARY OF ORIGINAL BILL: Exempts an individual from certain requirements, allowing such individual to practice surveying in this state, if such person has been trained by and worked under the supervision of a licensed surveyor for 10 years, and has actively been engaged for 6 or more years in land surveying.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$4,800/FY14-15 and Biennially Thereafter/Board of Examiners
for Land Surveyors

IMPACT TO COMMERCE OF ORIGINAL BILL:

Increase Business Expenditures - \$4,800

SUMMARY OF AMENDMENT (011846): States that an individual who has worked under the supervision of a licensed surveyor for 10 years and has actively been engaged for 6 or more years in land surveying, prior to being able practice surveying, must pass the appropriate exams as set out by the Department of Commerce and Insurance. If a land surveyor has been found to have either not provided proper supervision to an unlicensed surveyor or to have made a false statement in support of any person applying for registration, the Board is authorized to revoke, suspend, or refuse to renew a certificate of registration or may take other lawful disciplinary action against such offender. This Act will expire after June 30, 2018.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue - \$7,200/FY14-15/Board of Examiners for Land Surveyors
\$7,200/FY16-17/Board of Examiners for Land Surveyors

Assumptions for the bill as amended:

- The Board of Examiners for Land Surveyors currently has 1,052 active licensees.
- As a result of this bill, it is estimated that the Board will experience a one percent increase or 10 (1,052 x .01) additional license issuances beginning in FY14-15.

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- The cost of a 2-year initial or renewal land surveying license is \$280. There is also an application fee of \$200, resulting in a total fee of \$480 for each initial or renewal licensee applicant. The increase in Board revenue is estimated to be \$4,800 (\$480 x 10) in FY14-15 and biennially thereafter.
- There are 3 specific exams that an applicant must pass or have passed prior to practicing land surveying in Tennessee:
 - Fundamentals in Land Surveying (\$250, run by the National Council of Examiners for Engineering and Surveying, NCEES).
 - Principles and Practice of Land Surveying (\$150, offered by state); and
 - Tennessee State Jurisdictional Exam (\$150, offered by state).
- Once an individual has successfully passed all required tests, the individual will not need to retake such tests, barring suspension, revocation, or other non-licensed period.
- Depending on the level of certification, an individual may need to take one or all three of the tests.
- It is estimated that 6 individuals will need to take the two tests offered by the state biannually, resulting in an increase in Board revenue of \$1,800 [6 x (150 + \$150)] in FY14-15 and FY16-17.
- It is estimated that four individuals will need to only take one exam, resulting in an increase in Board revenue of \$600 (4 x \$150) in FY14-15 and FY16-17.
- This will result in a total increase in Board revenue of \$7,200 [\$4,800 + \$1,800 + \$600] in FY14-15 and FY16-17.
- Pursuant to Tenn. Code Ann. § 9-4-5117, all regulatory boards are required to be self-supporting over a two-year period. The Board of Examiners for Land Surveyors had a closing balance of \$195,240 in FY11-12, a deficit of \$139,784 in FY12-13, and closing reserve balance of \$141,137 on June 30, 2013.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

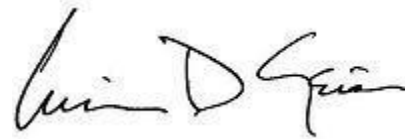
**Increase Business Expenditures - \$7,200/FY14-15
\$7,200/FY16-17**

Assumptions for the bill as amended:

- The total examination costs of \$2,400 (\$1,800 + \$600) and licensing costs of \$4,800 are business expenses for individuals practicing land surveying in this state.
- The total business expenditures of \$7,200 (\$2,400 + \$4,800) are essentially tax-deductible business expenses for licensed land surveyors in Tennessee.
- This bill will increase the number of individuals who are legally authorized to practice land surveying; however, because it will not increase the amount of work available to land surveyors, this will have no significant impact to commerce or jobs in this state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a more compact, stylized manner, followed by "D." and "Geise".

Lucian D. Geise, Executive Director

/jdb